

There is a Proposed Settlement in a class action brought against PDC ENERGY, INC. on behalf of certain royalty owners.

You may be able to obtain benefits.

A court authorized this notice. This is NOT a solicitation from an attorney.

A Proposed Settlement (“PDC Energy Settlement”) has been reached in a class action lawsuit brought against PDC Energy, Inc. (“PDC Energy”). The lawsuit is about the alleged underpayment of royalty payments made by PDC Energy on the production of natural gas that PDC Energy transferred to DCP Midstream, LP pursuant to certain gas purchase and processing agreements. This Notice is being sent to you because you may be a member of the PDC Energy Settlement Class, defined below, who is eligible to receive monetary benefits from the PDC Energy Settlement. Please read this Notice carefully.

A SUMMARY OF YOUR RIGHTS AND CHOICES	
REMAIN A SETTLEMENT CLASS MEMBER	To remain a member of the PDC Energy Settlement Class, you do not need to take any action. PDC Energy Settlement Class Members will receive money from the PDC Energy Settlement as outlined in Section 4 of this Notice. Due Date: <u>Automatic Distribution</u>
EXCLUDE YOURSELF FROM THE PROPOSED SETTLEMENT	You can exclude yourself from (opt out of) the PDC Energy Settlement and not be bound by the Court’s rulings. You will also not share in the distribution of monetary relief. You may bring your own lawsuit. <i>See Section 7 of this Notice.</i> Due Date: <u>Postmarked on or before August 26, 2019</u>
OBJECT OR COMMENT ON THE PROPOSED SETTLEMENT	If you are a Class Member, you can object to or comment on the PDC Energy Settlement on your own or through your attorney. <i>See Section 8 of this Notice.</i> Due Date: <u>Postmarked on or before August 30, 2019</u>

1. WHY YOU RECEIVED THIS NOTICE.

Information produced by PDC Energy in the litigation shows that you received a royalty payment from PDC Energy between July 1, 2009 and April 30, 2014 (“Relevant Time Period”) from certain wells located in Colorado. This Notice is sent to you to inform you about the proposed settlement of a class action lawsuit, captioned *Donna K. Duffy as Trustee of the Buddy Wayne Baker Revocable Trust, individually and on behalf of all others similarly situated, Plaintiff v. PDC Energy, Inc., Defendant*, Case No. 2014CV32924, in the District Court for the City and County of Denver, Colorado (the “Lawsuit”), brought on behalf of certain royalty and overriding royalty owners who received royalty payments from PDC Energy for natural gas or natural gas liquids (“Gas”) produced and transferred to DCP Midstream, LP.

The settlement has been preliminarily approved by the Court as being fair, reasonable, and adequate. As explained below, you may be entitled to monetary benefits under this PDC Energy Settlement if you do not opt out of the PDC Energy Settlement and the PDC Energy Settlement is finally approved by the Court.

You may be a member of the class of royalty or overriding royalty owners defined below who are covered by a proposed settlement of the Lawsuit. In this Notice, the settlement is referred to as the “PDC Energy Settlement” and the class of PDC Energy royalty payees covered by the PDC Energy Settlement is referred to as the “PDC Energy Settlement Class.” The PDC Energy Settlement Class includes the following:

All individuals and entities, private or public, who were “Settlement Class Members” as defined in the 2008 Settlement, or their successors in interest, to whom PDC Energy has paid royalties and/or overriding royalties pursuant to the Leases (as defined in the 2008 Settlement) and pursuant to the 2008 Settlement, on natural gas and natural gas liquids that PDC Energy produced from July 1, 2009 through April 30, 2014 and that PDC Energy transferred to DCP Midstream, LP pursuant to certain gas purchase and processing agreements, according to the business records maintained by PDC Energy.

The Court has appointed the Plaintiff in the Lawsuit as a class representative for the PDC Energy Settlement Class, and the Plaintiff’s attorneys as counsel for the PDC Energy Settlement Class (“Class Counsel”).

This Notice outlines the terms of the PDC Energy Settlement, who is a PDC Energy Settlement Class Member, your right to remain a member of the PDC Energy Settlement Class, how PDC Energy Settlement monies will be paid, how to comment on or object to the proposed PDC Energy Settlement, and how to exclude yourself from the PDC Energy Settlement Class. This Notice also explains that the Court will hold a Final Fairness Hearing to decide whether to approve the PDC Energy Settlement on September 13, 2019, at 8:30 a.m., in Courtroom 215 of the District Court for the City and County of Denver, Colorado, 1437 Bannock Street, Denver, Colorado.

Receiving this Notice does not guarantee that you are a PDC Energy Settlement Class Member and will receive money from the proposed PDC Energy Settlement.

Excluded from the PDC Energy Settlement Class are:

- (a) Persons who were excluded from the 2008 Settlement;
- (b) PDC Energy and its predecessors, subsidiaries, and affiliates;
- (c) The federal government;
- (d) Legally recognized Indian tribes;
- (e) Persons and entities that own a working interest in any well subject to the 2008 Settlement that is operated by PDC Energy; and
- (f) Any person who serves as a judge in this case and that judge's spouse.

2. WHAT IS A CLASS ACTION?

A class action is a type of lawsuit in which a named plaintiff brings a suit on behalf of all of the members of a similarly situated group to recover damages and other relief for the entire group, without the necessity of each member filing an individual lawsuit, incurring expenses, or appearing as an individual plaintiff. Class actions are used by the courts when the claims raise issues of law or fact that are common, making it fair to bind all class members to the orders and judgments in the case, without the necessity of multiple lawsuits involving hearing the same claims over and over.

3. THE LAWSUIT.

Plaintiff, on behalf of herself and all other similarly situated royalty payees, filed the Lawsuit against PDC Energy on August 7, 2014, in the District Court for the City and County of Denver, Colorado. This Lawsuit seeks monetary relief against PDC Energy for a class of royalty and overriding royalty owners who received royalty payments from PDC Energy for certain Gas produced and transferred to DCP Midstream, LP, except for certain royalty and overriding royalty owners who are excluded from the class. The Lawsuit is pending before the Honorable Morris B. Hoffman, District Court Judge of the District Court for the City and County of Denver, Colorado.

Plaintiff has alleged that during the Relevant Time Period, PDC Energy failed to pay royalties properly under Section 6(a)(ii) of a 2008 class-action settlement agreement (the “Claim”). Specifically, Plaintiff has asserted that PDC Energy failed to pay royalties correctly to the Plaintiff and the royalty owners on 50 percent of the proceeds retained by the midstream provider DCP Midstream, LP under the terms of a class-action settlement agreement approved by the United States District Court for the District of Colorado in a lawsuit captioned *Amsbaugh v. Petroleum Dev. Corp.*, Case No. 01:07-cv-02508-JLKI (the “2008 Settlement”). PDC Energy denies that it underpaid or failed to pay royalties pursuant to the 2008 Settlement.

Class Counsel have extensively reviewed and analyzed information and documents regarding PDC Energy’s calculation of royalties paid to the members of the PDC Energy Settlement Class. The Parties also have engaged in continuous negotiations over the resolution of the Claim. The PDC Energy Settlement described in this Notice is the result of those negotiations.

Class Counsel and the Plaintiff believe the issues before the Court are complex, and there is uncertainty as to the outcome of the PDC Energy Litigation should it proceed to trial. PDC Energy denies the Plaintiff’s Claim and continues to deny any wrongdoing or liability to Plaintiff or any member of the PDC Energy Settlement Class in connection with the Claim.

Class Counsel and the Plaintiff have considered both the monetary benefits of the proposed PDC Energy Settlement and the risks of proceeding if the PDC Energy Settlement was rejected. Class Counsel and the Plaintiff have concluded the proposed PDC Energy Settlement provides members of the PDC Energy Settlement Class with substantial monetary benefits, resolves disputed issues without prolonged litigation and expense, avoids the delay and expense of likely appeals, eliminates inherent risks of litigation, and is in the best interests of the PDC Energy Settlement Class. Plaintiff and Class Counsel have concluded that the proposed PDC Energy Settlement is fair, reasonable, and adequate.

4. THE SETTLEMENT.

PDC Energy has agreed to pay the sum of **\$975,000.00** in order to settle the Lawsuit (the “Settlement Fund”), to be paid into an interest-bearing escrow account on or before July 2, 2019. The amount of the Settlement Fund that will be available for distribution to each member of the PDC Energy

Settlement Class (*i.e.*, the members who do not “opt out” of the PDC Energy Settlement Class) will be determined by each member’s proportionate share of underpayments. The Court has preliminarily approved the PDC Energy Settlement.

The expenses and attorneys’ fees of the Plaintiff and Class Counsel (“Litigation Expenses”) and any incentive awards to the class representative, as approved by the Court, will be subtracted from the Settlement Fund to determine the amount available for distribution to the members of the PDC Energy Settlement Class. Class Counsel will request that the Court award attorneys’ fees in the amount of \$390,000.00 and expenses in the amount of \$140,732.57. You may receive a copy of Class Counsel’s Application regarding Litigation Expenses by contacting Class Counsel as identified in Section 10 of this Notice.

Upon the Court’s final approval, all members of the PDC Energy Settlement Class who choose not to timely exclude themselves from the PDC Energy Settlement Class (*i.e.*, who do not “opt out” of the PDC Energy Settlement Class) will receive the monetary benefits of the PDC Energy Settlement and will be bound by the resulting Order in the Lawsuit, barring them from bringing any claim or claims against PDC Energy related to royalty and overriding royalty calculations and payments that are covered by the PDC Energy Settlement Agreement (“Settled Claims”). If a member of the PDC Energy Settlement Class does not opt out, that member may receive payment of a portion of the Settlement Fund as described above, and may not thereafter bring Settled Claims against PDC Energy.

For more detailed information regarding the terms of the PDC Energy Settlement, please read the PDC Energy Settlement Agreement, which you may review online at www.georgebartonlaw.com, or you may obtain a copy of the PDC Energy Settlement Agreement by contacting Class Counsel as identified in Section 10 of this Notice.

5. THE COURT HAS CONDITIONALLY APPROVED THE SETTLEMENT.

The Court has provisionally determined that the PDC Energy Settlement is fair, reasonable, and adequate. The Court has also ordered that, for purposes of the proposed PDC Energy Settlement only, this case may proceed as a class action and that the PDC Energy Settlement Class shall be conditionally certified. This does not mean that Plaintiff would be successful if the case went to trial. The Court has made no final determination as to the merits of the Lawsuit, and this Notice and the proposed PDC Energy Settlement do not imply that PDC Energy is liable to Plaintiff or to any member of the PDC Energy Settlement Class for any of the Claims.

6. REMAINING A MEMBER OF THE SETTLEMENT CLASS.

If you choose to remain a PDC Energy Settlement Class Member, you do not need to take any action whatsoever. Plaintiff and Class Counsel will represent your interests as a member of the PDC Energy Settlement Class. You will not be charged for their services or any expenses other than the payment of Litigation Expenses and class representative incentive award from the Settlement Fund that are approved by the Court. You may enter an appearance in the Lawsuit by yourself or through your attorney, at your own expense. You will be bound by the judgment and final disposition of the Lawsuit, and you should receive a distribution check for your share of the Settlement Fund approximately 14 days after the Approval Event specified in the PDC Energy Settlement Agreement (as defined by the PDC Energy Settlement Agreement). If you are a PDC Energy Settlement Class Member, you will be barred from bringing any further legal action relating to the Settled Claims against PDC Energy, its affiliates, and its predecessors, as described in Section 4 of this Notice.

Should you remain in the PDC Energy Settlement Class, and the PDC Energy Settlement is approved, you will:

- 1) Receive your allocated share of the Settlement Fund; and
- 2) Release all Settled Claims.

7. REQUEST TO BE EXCLUDED FROM THE PDC ENERGY SETTLEMENT CLASS.

You may elect to be excluded from the PDC Energy Settlement Class. However, you cannot exclude yourself from only part of the PDC Energy Settlement or from only part of the PDC Energy Settlement Class. You must either remain a PDC Energy Settlement Class Member or exclude yourself from the entire PDC Energy Settlement Class. If you elect to be excluded from the PDC Energy Settlement Class, you will not be bound by any judgment, disposition, or settlement of the Lawsuit, nor will you receive any monetary benefits of the PDC Energy Settlement. You will retain, and will be free to pursue, any claims you may have on your own behalf against PDC Energy. PDC Energy will be free to assert any defenses or counterclaims it may have against you.

To be excluded from the PDC Energy Settlement Class, you must mail a written election to be excluded from the PDC Energy Settlement Class to Class Counsel at: **Stacy Burrows, Law Offices of George A. Barton, P.C., 7227 Metcalf Ave., Suite 301, Overland Park, Kansas 66204**. The election must contain the full name, current address, telephone number, and signature of the person requesting exclusion. **The written election must be postmarked on or before August 26, 2019.** If your spouse or anyone else shares your interest in the royalty or overriding royalty payments, they must also follow this procedure if they want to be excluded from the Class.

Class Counsel will provide the Court a compilation of all potential class members who request to be excluded from the PDC Energy Settlement Class.

8. RIGHT TO OBJECT TO THE PDC ENERGY SETTLEMENT.

If you do not opt out of the PDC Energy Settlement Class, you may object to the proposed PDC Energy Settlement, Class Counsel's Application for Litigation Expenses, or the request for a class representative incentive award. **All objections shall be in writing and must be filed on or before August 30, 2019**, with the Court at the address of the District Court Clerk as it appears below. Your objection must set forth your full name, current address, and telephone number. In addition, your objection must include **a written statement of the position that you wish to assert**. Your objection also must be mailed to each of the following and postmarked on or before August 30, 2019:

Class Counsel

George A. Barton
Stacy A. Burrows
LAW OFFICES OF GEORGE A. BARTON, P.C.
7227 Metcalf Ave., Suite 301
Overland Park, KS 66204

Counsel for PDC Energy

Elizabeth H. Titus
Jessica Black Livingston
Hogan Lovells US LLP
1601 Wewatta St., Suite 900
Denver, CO 80202

You or your attorney may appear at the Final Fairness Hearing, but are not required to do so. If you filed an objection to the PDC Energy Settlement, as long as the objection was postmarked before the deadline the Court will consider it. **In order to be heard at the Final Fairness Hearing you must file a Notice of Intent to Appear at the Final Fairness Hearing with the Court on or before September 6,**

2019. Any PDC Energy Settlement Class member who does not file a notice of intent to appear at the Final Fairness Hearing may be prohibited from participating at that Hearing.

9. FINAL FAIRNESS HEARING.

A Final Fairness Hearing will be held on September 13, 2019, at 8:30 a.m. in Courtroom 215 of the District Court for the City and County of Denver, Colorado, located at 1437 Bannock Street, Denver, Colorado 80202. The purpose of the Hearing will be to finally determine whether the proposed PDC Energy Settlement is fair, reasonable, and adequate, and whether a final judgment approving the PDC Energy Settlement Agreement should be entered. The amount of the Litigation Expenses to be paid from the Settlement Fund to Class Counsel, and the requested incentive award to the class representative, will also be considered at the Final Fairness Hearing. The Hearing may be continued or adjourned without further notice to the PDC Energy Settlement Class.

If the PDC Energy Settlement is approved, Plaintiff and each member of the PDC Energy Settlement Class who has not properly and timely elected to be excluded from the PDC Energy Settlement Class will be bound by the PDC Energy Settlement. Additionally, the respective heirs, executors, administrators, representatives, agents, successors, and assigns of the PDC Energy Settlement Class members will be deemed bound by the PDC Energy Settlement as to that member's interests. Likewise, the PDC Energy Settlement will bind PDC Energy and its successors and assigns.

10. ATTORNEYS FOR THE PARTIES.

Attorneys for the Plaintiff and the PDC Energy Settlement Class ("Class Counsel")

George A. Barton, Mo. Bar No. 26249
Stacy A. Burrows, Co. Bar No. 49199
LAW OFFICES OF GEORGE A. BARTON, P.C.
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Overland Park, KS 66204
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Fax: (913) 563-6259
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Attorneys for PDC Energy Inc.

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Denver, Colorado 80202
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***ANY QUESTIONS CONCERNING THE SETTLEMENT SHOULD BE
DIRECTED TO CLASS COUNSEL.***

In any written correspondence with the attorneys or submissions to the Court, it is important that the envelope and any documents inside contain the following case name and identifying number:

Donna K. Duffy as Trustee of the Buddy Wayne Baker Revocable Trust v. PDC Energy, Inc., Case No. 2014CV32924

In addition, you must include your full name, address, and telephone number.

11. IF YOU WANT TO INSPECT THE COURT FILE.

The complaints, answers, pleadings, court orders, and other documents, including the PDC Energy Settlement Agreement, are available online at www.georgebartonlaw.com. In addition, all pleadings are on file in this case and may be inspected at the following address:

District Court for the City and County of Denver, Colorado
1437 Bannock Street
Denver, Colorado 80202

DO NOT WRITE OR TELEPHONE THE CLERK'S OFFICE if you have any questions about this Notice or the PDC Energy Settlement. Please address any questions regarding this Notice or the proposed PDC Energy Settlement in writing to Class Counsel, at the address identified in Section 10 of this Notice, or by telephone to Class Counsel, at the telephone number identified in Section 10 of this Notice.

DO NOT CALL THE COURT OR THE COURT CLERK